



News Release

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Washington, D.C.

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For Release: 2/7/02

Release No: IR-2002-16

IRS ISSUES FALL 2001 STATISTICS OF INCOME BULLETIN

WASHINGTON—The Internal Revenue Service today announced the release of the Fall 2001 issue of the *Statistics of Income Bulletin*. It provides detailed statistical information on individual income tax returns, partnership returns, nonprofit charitable organizations, foreign-owned domestic corporations and growth trends in foreign investments by U.S. taxpayers.

The *Bulletin* contains an in-depth analysis of the 127.1 million individual income tax returns filed for Tax Year 1999. For this year, adjusted gross income (AGI) rose 8.1 percent to almost \$5.9 trillion, following a 9.0-percent increase for 1998. Total income tax also increased 11.3 percent, resuming a prior trend of higher growth rates than both AGI and taxable income. Total income tax as a percentage of AGI increased to 15.0 percent from 14.6 percent for 1998. A variety of components of AGI contributed to this growth. Salaries and wages, net capital gains (less losses), taxable Individual Retirement Arrangement distributions, partnership and S corporation net income and taxable pensions and annuities all increased over the prior year.

In addition, the *Bulletin* contained the following articles:

- In 1999, the number of partnerships, number of partners, total assets, and total net income (less deficit) all increased over the amounts reported for 1998. The number of partnership returns filed increased 4.4 percent to 1,936,919, while the number of partners increased only 1.7 percent to 15,924,404. Total assets increased by 17.0 percent to \$6.0 trillion. Total assets increased in every industrial sector. Total income (less deficit) available for distribution, after deductions, increased 27.4 percent, from \$305.3 billion for 1998 to \$389.4 billion.
- Nonprofit charitable organizations exempt from income tax under Internal Revenue Code section 501(c)(3) filed over 207,000 information returns for 1998, an increase of 4 percent from the previous year. They also reported \$1.4 trillion in assets, a decrease of 6 percent from 1997, and \$752.0 billion in revenue, slightly less than the previous year. This and other decreases can be attributed to the Teachers Insurance Annuity Association and the College Retirement Equities Fund (collectively known as TIAA-CREF), two very large pension organizations whose tax exemption was revoked under the Taxpayer Relief Act of 1997.
- For 1998, large foreign-owned domestic corporations reported amounts received of \$297.9 billion and amounts paid of \$398.9 billion in non-loan transactions with 11,379 related foreign persons for 1998. Sales of stock in trade accounted for 87.1 percent of the total amount received from foreign related persons, and purchases of stock in trade accounted for 87.4 percent of the total amount paid to related foreign persons. From

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an industry perspective, the largest dollar amount of these transactions was reported by companies classified in the finance and insurance industrial sector, \$211.4 billion (71.0 percent) in receipts and \$176.9 billion (44.3 percent) in payments. From a country perspective, transactions with related persons resident in the United Kingdom were the largest source of amounts received, accounting for \$189.3 billion, or 63.6 percent of the total. Transactions with related persons resident in Hong Kong were the largest source of amounts paid, accounting for \$121.1 billion, or 30.4 percent of the total.

- New statistics on foreign trusts, taken from Forms 3520 and 3520-A, reveal a substantial growth in foreign investment by U.S. taxpayers during the 1990s. The number of foreign trusts filing Forms 3520-A rose by over 500 percent from 1990 to 1998. During the same period, net income increased from \$5 million to \$339 million, and total assets increased from \$154 million to \$5,513 million. The statistics also show the impact of information reporting requirement changes made in 1996.

The *Bulletin* also includes historical data on income, deductions, and tax reported on returns filed by individuals, corporations and unincorporated businesses, with selected data presented for estates. Statistics are also presented on tax collections, including excise taxes by type, and refunds for recent years.

The *Statistics of Income Bulletin* is available from the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954. The annual subscription rate is \$41 (\$51.25 foreign), single issues cost \$34 (\$42.50 foreign). For more information about these data, write the Director, Statistics of Income (SOI) Division, N:ADC:R:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608, check the World Wide Web at www.irs.gov/tax_stats, or telephone the SOI statistical information services office at (202) 874-0410, by fax, (202) 874-0964.

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